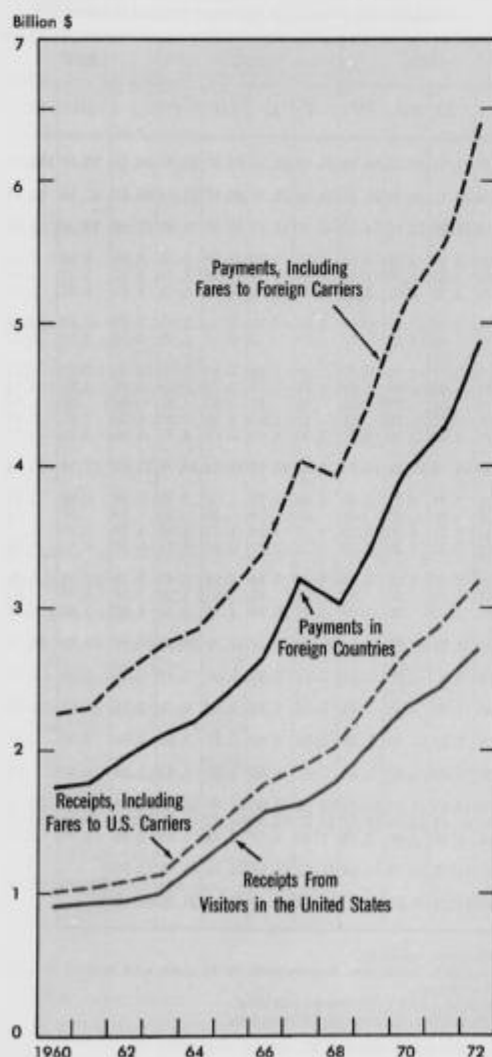


# International Travel, Passenger Fares, and Other Transportation in the U.S. Balance of Payments: 1972

CHART 2

## U.S. Payments and Receipts for Travel and Transocean Passenger Fares



THE net U.S. deficit on international travel and transportation transactions last year was \$2.9 billion, \$0.6 billion or 24 percent more than in 1971 (table 1). U.S. payments for these services increased 14 percent to nearly \$9.9 billion, while U.S. receipts increased 10 percent to \$7.0 billion. Net U.S. payments for international travel and passenger fares were \$3.0 billion, up from \$2.5 billion in 1971; other transportation transactions recorded a surplus of \$0.2 billion, about the same as in 1971.

Stimulated by strong domestic eco-

nomie growth, U.S. residents traveled overseas in record numbers in 1972 despite substantially higher prices for U.S. travelers than in 1971, reflecting rapid inflation abroad and the effect of the December 1971 dollar devaluation. U.S. travelers' total expenditure in foreign countries increased 14 percent. The average dollar expenditure per U.S. traveler to overseas areas increased only 2½ percent, as the average trip lengthened slightly. Evidently, the higher prices for travel were largely offset by a reduction in real expenditure.

Table 1.—International Travel, Passenger Fares, and Other Transportation Transactions

[Millions of dollars]

	1968 *	1969 *	1970 *	1971 *	1972
1. Total travel, passenger fare, and other transportation payments.....	6,282	6,943	8,000	8,646	9,880
2. Travel: Payments by U.S. visitors in foreign countries (line 18).....	3,030	3,407	3,969	4,278	4,856
3. Passenger Fares: U.S. payments to foreign carriers (line 19).....	885	1,080	1,215	1,200	1,580
4. Other transportation (line 20).....	2,367	2,456	2,816	3,078	3,444
5. Freight payments to foreign carriers on U.S. imports.....	1,349	1,390	1,534	1,769	2,032
6. Port expenditures abroad by U.S. carriers.....	651	671	809	868	934
7. Other payments.....	367	395	473	441	478
8. Total travel, passenger fare, and other transportation receipts.....	4,734	5,160	5,987	6,359	7,027
9. Travel: Receipts from foreign visitors in the U.S. (line 4).....	1,775	2,058	2,330	2,464	2,706
10. Passenger Fares: Foreign passenger fares payments to U.S. carriers (line 5).....	411	450	544	615	694
11. Other transportation (line 6).....	2,548	2,652	3,113	3,280	3,627
12. Freight receipts of U.S. carriers.....	817	787	1,000	952	1,046
13. Port expenditures in the U.S. by foreign carriers.....	1,589	1,701	1,905	2,089	2,326
14. Other receipts.....	142	164	208	239	255
15. Net travel, passenger fare, and other transportation payments.....	1,548	1,783	2,013	2,287	2,853
Memorandum:					
16. Travel payments of U.S. visitors in foreign countries (line 18).....	3,030	3,407	3,969	4,278	4,856
17. Plus: U.S. passenger fare payments to foreign carriers.....	885	1,080	1,215	1,200	1,580
18. Plus: U.S. passenger fare payments to U.S. carriers.....	815	895	985	1,065	1,280
19. Equals: Total expenses of U.S. visitors.....	4,730	5,382	6,169	6,533	7,716
Memorandum:					
20. Travel receipts from foreign visitors in the U.S. (line 4).....	1,775	2,058	2,330	2,464	2,706
21. Plus: Foreign passenger fares to and from the U.S. paid to U.S. carriers.....	260	303	377	425	494
22. Equals: Total U.S. receipts from foreign visitors.....	2,035	2,361	2,707	2,889	3,200

\*Revised

NOTE.—References in parentheses to lines 4, 5, 6, 18, 19, and 20 indicate where these estimates may be found in tables 2 and 3 of the regular balance of payments presentations.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

U.S. travel receipts rose 10 percent, despite a decline in Canadian travel outlays here. The dollar devaluation may have had some expansionary influence on foreign travel spending in the United States, for there was vigorous growth both in numbers of and expenditures by visitors from overseas areas where currencies were revalued.

This article reviews 1972 developments in the travel, passenger fare, and other transportation accounts in the U.S. balance of international payments.

**Table 2.—Travel Payments of U.S. Visitors in Foreign Countries, by Area**

	(Millions of dollars)				
	1968	1969	1970	1971	1972
<b>Total travel payments</b> .....	<b>3,030</b>	<b>3,407</b>	<b>3,969</b>	<b>4,278</b>	<b>4,85</b>
Canada.....	820	900	1,045	1,111	1,036
Mexico.....	638	692	740	832	950
Persons visiting Mexican border only.....	390	408	425	440	448
Overseas areas.....	1,572	1,815	2,184	2,335	2,870
Europe and Mediterranean area.....	993	1,160	1,425	1,540	1,833
Western Europe.....	925	1,075	1,310	1,373	1,645
United Kingdom.....	198	229	263	324	342
France.....	92	141	160	169	200
Italy.....	141	140	172	178	215
Switzerland.....	74	83	108	99	119
Germany.....	111	114	148	126	163
Austria.....	40	43	54	52	64
Denmark.....	30	32	39	38	46
Sweden.....	18	20	24	22	32
Norway.....	23	23	31	25	39
Netherlands.....	40	41	44	44	57
Belgium-Luxembourg.....	16	18	22	22	31
Spain.....	56	80	85	105	152
Portugal.....	20	25	29	31	37
Ireland.....	32	36	42	52	36
Greece.....	28	37	40	63	84
Other Western Europe.....	6	13	19	23	28
Other Europe and Mediterranean area.....	68	85	115	167	208
Israel.....	36	44	62	110	124
Other.....	32	41	53	57	84
West Indies and Central America.....	325	375	390	408	504
Bermuda.....	50	56	63	62	69
Bahamas.....	105	132	127	120	144
Jamaica.....	78	85	95	90	105
Other British West Indies.....	38	42	44	56	60
Netherlands West Indies.....	19	16	18	28	40
Other West Indies and Central America.....	35	44	43	52	86
South America.....	87	92	90	92	113
Other overseas areas.....	167	188	279	295	400
Japan.....	60	70	97	88	121
Hong Kong.....	26	35	53	50	70
Australia-New Zealand.....	20	27	34	47	50
Other.....	61	56	95	110	159

NOTE.—Excludes travel by military personnel and other Government employees stationed abroad and by their dependents and U.S. citizens residing abroad; includes shore expenditures of cruise travelers, but not their transportation fares or other passenger fares.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transocean passenger fares are discussed as part of the review of total spending by U.S. residents traveling abroad and of spending by foreign visitors in the United States. (The article includes data on passenger fares paid by U.S. travelers to U.S. transocean carriers, which do not enter into the balance of payments but do represent an important part of total spending by U.S. travelers; see table 1, memorandum items.) U.S. carriers' receipts of passenger fares from foreigners for travel between foreign countries, which do enter into the balance of payments, are reported in this article. Also reviewed are freight payments to U.S. and foreign air and sea carriers and the carriers' port expenditures.

## U.S. Expenditures for Travel Abroad

U.S. residents spent \$7.7 billion for travel to foreign countries last year, over \$1 billion or 16 percent more than in 1971 (table 1). Foreign countries received \$6.4 billion of the total, including \$1.6 billion in passenger fares paid to their sea and air carriers for transocean transportation and more than \$4.8 billion in outlays in foreign countries for food, lodging, transportation, and other items (table 1, lines 2 and 3). U.S. travelers also paid nearly \$1.3 billion to U.S. carriers for transocean transportation, but this amount does not enter into the U.S. balance of payments.

In April 1972, transocean air carriers raised their fares to U.S. residents by 7 percent to reflect the new exchange rates. The new fares, together with the sharp rise in the number of U.S. travelers, were major factors in a 25-percent rise in fares paid to foreign air carriers, compared with only a 6-percent increase in 1971.

Of the \$4.8 billion of U.S. travel outlays in 1972, about \$2.9 billion was spent in overseas areas. This was 23 percent more than in 1971, compared with a rise of only 7 percent that year (table 2).

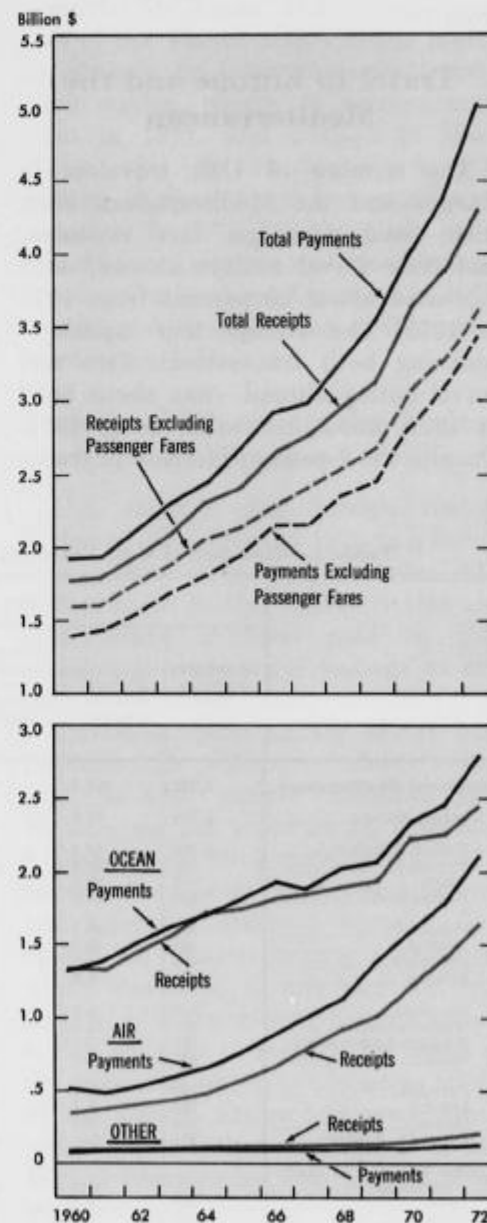
U.S. travelers' outlays in Mexico totaled \$950 million in 1972, up 14 percent compared with a 12½ percent rise in 1971. Travel to Mexico may

have been stimulated by the fact that the peso-dollar exchange rate remained unchanged, while a number of other currencies appreciated against the dollar.

In contrast to the pattern overseas and in Mexico, travel outlays in Canada declined 7 percent in 1972, to \$1,036 million, compared with a 6-percent rise in 1971. Much of the estimated decline,

CHART 3

## U.S. Payments and Receipts for Passenger Fares and Other Transportation



NOTE.—Totals consist of passenger fares, freight transportation charges, charter hire, and carriers' port expenditures.

however, probably reflected a change in the statistical system for reporting border entries and departures, which reduced the reported volume of travel on which the expenditure estimates are based. However, part of the decline may have been due to bad weather conditions last summer.

Nearly 99 percent of the 6.8 million U.S. overseas travelers in 1972 traveled by air (table 4). The number traveling by ship dropped to less than 75,000, from 95,000 in 1971 and 120,000 in 1970. Sea cruises, however, continued to grow in popularity, and 657,000 U.S. residents took cruises in 1972, up 4 percent from 1971.

### Travel to Europe and the Mediterranean

The number of U.S. travelers to Europe and the Mediterranean area, their total passenger fare expenses, and their travel outlays abroad, each increased about 20 percent from 1971 to 1972. The average trip expense—counting both transatlantic fare and travel outlay abroad—was about \$850 in 1972, about the same as in 1971. Despite the 7-percent increase in trans-

atlantic air fares beginning in April 1972, average passenger fare payments were \$368, slightly below the 1971 level. This virtual stability may have been related to the unusually large proportion of travelers who made their trips in the off-season periods, when lower fares are offered.

The average travel outlay within the European-Mediterranean area was \$482, also essentially unchanged from 1971 (table 3). The average duration of stay was extended by 1 day to 27 days, and the daily outlay averaged about \$18.00, down from \$18.50 in 1971. The average tourist visited 2.6 countries, also about the same as in 1971 but below the 3.0 countries visited in 1970 and earlier years.

Not all countries in the European-Mediterranean area shared equally in the 1972 increase in travelers' spending. As shown in table 3, the increase can be broken into two components for each country: the change in the number of travelers and the change in their average spending. Change in average spending, in turn, reflects change in the length of stay in the country and change in spending per day (details on this break-

Table 4.—U.S. Travelers to Overseas Countries by Means of Transportation and by Area

(Thousands of travelers)

	1966	1969	1970	1971	1972
Total.....	3,885	4,633	5,288	5,587	6,799
Sea.....	147	151	120	85	73
Air.....	3,738	4,473	5,168	5,502	6,726
Europe and Mediterranean.....	1,937	2,383	2,868	3,208	3,643
Western Europe.....	1,980	2,386	2,783	3,030	3,586
West Indies and Central America.....	1,481	1,706	1,663	1,736	1,992
South America.....	223	245	269	264	336
Other.....	284	315	480	475	617

NOTE.—For coverage, see table 2; excludes cruise travelers, who numbered about 360,000 in 1966, 538,000 in 1969, 597,000 in 1970, 620,000 in 1971, and 655,000 in 1972.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, based on data of U.S. Department of Justice, Immigration and Naturalization Service.

down are not now available). All of these factors are influenced by the changing tastes of tourists; changes in local political atmosphere; tourism promotion programs of various countries; and changing costs for travel, including the impact of inflation and of changes in exchange rates.

In 1972, three countries showed a significant loss in their share of total spending: the United Kingdom, Ire-

Table 3.—Number of U.S. Travelers and Their Average and Total Travel Payments in Europe and the Mediterranean

	1971					1972					Percent Change 1971-72		
	Number of travelers (thousands)	Percent of total travelers	Average spending per traveler (dollars)	Total spent in each country (millions of dollars)	Percent of total spending	Number of travelers (thousands)	Percent of total travelers	Average spending per traveler (dollars)	Total spent in each country (millions of dollars)	Percent of total spending	Number of travelers	Average spending per traveler	Total spent in each country
Europe and Mediterranean.....	3,294	100.0	481	1,580	100.0	3,643	100.0	482	1,653	100.0	29.8	8.2	20.3
Western Europe.....	3,080	94.6	483	1,378	89.2	3,556	96.4	440	1,444	88.6	21.0	-0.0	19.8
United Kingdom.....	1,358	42.4	239	324	21.0	1,482	28.8	220	333	20.5	9.0	-4.2	5.6
France.....	978	28.4	174	169	11.0	1,115	28.0	170	200	12.0	14.4	2.0	18.8
Italy.....	817	25.5	235	178	11.4	979	25.4	219	316	11.0	18.8	1.4	20.8
Switzerland.....	606	21.7	142	90	6.4	811	21.1	147	119	6.4	16.5	3.5	20.2
Germany.....	393	12.1	167	128	8.2	561	25.1	170	183	11.0	19.8	8.8	29.4
Austria.....	494	15.7	130	52	3.4	637	14.0	110	64	3.9	22.8	-0.8	31.7
Denmark.....	378	11.7	127	28	2.5	541	14.4	127	66	4.0	20.6	-7.5	19.6
Sweden.....	170	5.3	136	22	1.4	212	6.5	148	33	1.7	24.7	15.0	48.5
Norway.....	148	4.6	170	26	1.6	198	6.1	107	30	1.8	22.4	15.9	56.0
Netherlands.....	461	14.4	90	44	2.9	587	16.2	98	87	5.3	27.3	2.1	29.5
Belgium-Luxembourg.....	316	9.7	71	23	1.4	406	11.0	84	81	4.9	18.9	15.8	40.0
Spain.....	481	15.0	219	106	6.8	670	18.0	267	182	11.0	22.8	8.2	44.8
Portugal.....	208	6.5	190	31	2.0	267	6.0	188	31	1.9	28.4	-8.3	19.4
Ireland.....	222	7.2	223	32	2.4	190	4.0	193	36	2.2	-18.1	-14.8	-30.8
Greece.....	260	8.1	244	68	4.1	324	8.4	258	34	1.5	24.6	8.1	33.3
Other W. Europe.....	274	n.a.	n.a.	28	1.6	349	n.a.	n.a.	28	1.5	27.5	n.a.	21.7
Other Europe and Medi- terranean.....	n.a.	n.a.	n.a.	167	10.6	n.a.	n.a.	n.a.	308	11.2	n.a.	n.a.	21.0
Israel.....	306	9.4	306	110	7.1	319	8.3	399	121	7.3	4.3	5.5	12.7
Other.....	818	25.6	182	67	3.7	483	11.3	196	94	5.7	44.7	1.8	47.4

n.a. Not available.

1. Data for other Europe and Mediterranean are included in Europe and Mediterranean totals but not in Western Europe totals.

NOTE.—For coverage, see table 2; data on average spending excludes shore expenses of cruise travelers.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, based on data of Department of Justice, Immigration and Naturalization Service.

land, and Israel. The United Kingdom's share of the total fell from 21.0 percent in 1971 to 18.5 percent in 1972; the number of travelers there rose only 9.9 percent, compared with the 20.0-percent rise in the total for the European-Mediterranean area, and average expenditure per traveler fell 4.2 percent from \$289 to \$229. These developments may have been partly related to the fluctuations of the pound sterling against the dollar. In the early part of 1972, when travel plans for the summer were being formulated, sterling had appreciated against the dollar and this probably held down the number of visitors. But sterling depreciated sharply against the dollar at midyear; thus, when travelers arrived their sterling expenses measured in dollars were lower than they otherwise would have been, and this probably contributed to the drop in average spending. The political problems in Northern Ireland probably contributed to the reduction in the number of travelers to the Republic of Ireland, and the drop in their average spending may have reflected shorter stays. In the case of Israel, the increase in the number of travelers (6.3 percent) was significantly below the average.

Countries which showed substantial increases in their share of total spending can be divided into two groups: (1) relatively high-cost countries such as Germany, Sweden, Norway, Netherlands, and Belgium, whose currencies appreciated against the dollar (increasing dollar costs of travel) but which nevertheless experienced average or above average increases in the number of U.S. visitors; (2) relatively low-cost countries such as Spain (whose currency also

appreciated against the dollar) and Greece (whose currency was stable against the dollar), both of which experienced especially large increases in the number of U.S. visitors.

In other major tourist countries—France, Italy, and Switzerland—the number of visitors increased somewhat less than the average but average spending increased enough to keep each country's share of total spending roughly unchanged.

### Western Hemisphere and Pacific

The West Indies and Central America received over \$500 million from U.S. travelers in 1972. This was a gain of nearly \$100 million or 24 percent, after 2 years of minor advances. The number of travelers increased sharply, from about 1.7 million in 1971 to 2.0 million, and average outlay per traveler also rose. The Bahamas earned \$144 million, up 20 percent from 1971 after 2 years of decline. Spending in Jamaica increased 17 percent to \$105 million, and in Bermuda it rose 11 percent to \$69 million; both countries had registered a decline in 1971. Spending in other West Indies and Caribbean areas continued the

rapid growth of recent years, rising 27 percent in 1972. In South America both the number of American visitors (340,000) and their total spending (\$118 million) increased substantially, following virtual stability in 1971.

Marked increases were recorded in 1972 in U.S. travel to "other areas," primarily the Pacific and Far East. The number of travelers grew 30 percent to over 600,000, average expenditure per traveler rose, and total travel payments increased 36 percent to \$400 million, compared with a gain of 6 percent in 1971. Much of the growth in both travel volume and spending occurred in Japan and Hong Kong, two of the Pacific area's major tourist attractions. In Japan, Americans spent \$120 million, nearly 38 percent more than in 1971, and outlays in Hong Kong were up 40 percent to \$70 million. Both countries had experienced a decline in 1971. On the other hand, spending in Australia and New Zealand increased only about 7 percent in 1972, to \$50 million, following a 40-percent increase in 1971.

### Foreign Visitors to the United States

U.S. receipts from foreign visitors increased 11 percent in 1972 to a record \$3.2 billion. The total includes \$2.7 billion spent in the United States and \$0.5 billion in fares paid to U.S. transoceanic carriers for passage to and from the United States.

Canadian spending for travel here declined \$12 million, or about 1 percent, to \$922 million. Receipts from Mexico, on the other hand, increased 9 percent to \$615 million. In 1971, receipts from both Canada and Mexico had increased about 4 percent. The change in data-recording procedures which was cited as affecting the estimate of U.S. travel spending in Canada is also believed to account for much of the estimated slump in Canadian travel to the United States last year. However, poor weather and floods in the United States may also have had an impact.

Oversen visitors spent \$1.2 billion in the United States last year, a 21-percent increase over 1971. U.S. car-

Table 5.—Average Length of Stay of U.S. Travelers in Selected Regions

Region	(Days)				
	1968	1969	1970	1971	1972
Europe and Mediterranean.....	30	29	27	26	27
Caribbean area.....	n.a.	n.a.	31	16	11
Bermuda.....	n.a.	n.a.	7	7	8
Bahamas.....	n.a.	n.a.	5	5	5
South America.....	n.a.	n.a.	23	20	21
Far East and other areas....	n.a.	n.a.	25	27	28

n.a. Not available.

NOTE.—For coverage, see table 2; excludes cruise travelers.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 6.—U.S. Receipts From Foreign Visitors in the United States

	(Millions of dollars)				
	1968	1969	1970*	1971*	1972
Total U.S. travel receipts.....	1,775	2,068	2,350	2,464	2,796
Canada.....	646	615	595	634	622
Mexico.....	493	530	545	605	615
Total overseas countries.....	632	713	880	965	1,109
Western Europe.....	228	264	318	367	432
United Kingdom.....	42	43	51	67	66
France.....	30	34	39	45	48
Germany.....	44	55	67	78	83
Italy.....	32	24	29	33	40
Netherlands.....	12	14	18	23	23
Sweden.....	12	10	14	13	15
Switzerland.....	14	18	18	16	21
Other.....	50	57	64	86	98
West Indies, Central and South America.....	262	276	334	325	343
South America.....	140	144	165	162	171
Other overseas countries.....	144	172	237	272	374
Japan.....	51	57	101	134	203

\* Revised.

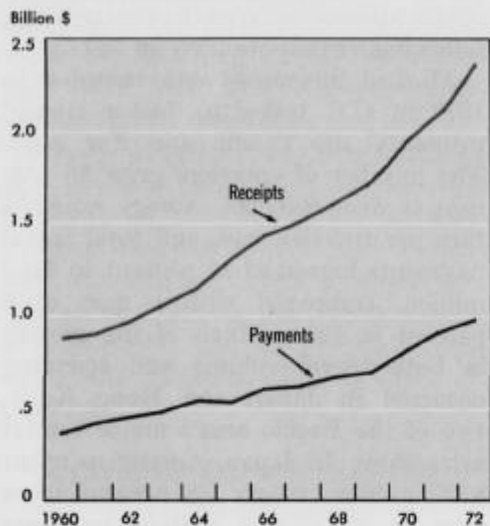
NOTE.—Includes expenditures of travelers for business and pleasure, foreigners in transit through the United States, and students; excludes expenditures by foreign government personnel and foreign businessmen employed in the United States (who are U.S. residents for balance of payments purposes). Transoceanic passenger fares are also excluded.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.



CHART 4

### U.S. Payments and Receipts for Carriers' Port Expenditures



U.S. Department of Commerce, Bureau of Economic Analysis

73-64

riers' earnings from these foreign visitors increased 16 percent. There were nearly 2.9 million visitors from overseas areas in 1972. Three-fourths came on pleasure trips, the remainder on business, in transit to other destinations, or as students.

Japan led all overseas countries in travel to the United States, both in number and in total travel expenses here. More than 400,000 Japanese visited in 1972, an increase of 34 percent. Their travel outlays in the United States rose 53 percent to \$205 million. Expansion of Japanese travel to the United States speeded up in months following the August 1971 exchange rate changes—which resulted in an especially large appreciation of the yen against the dollar.

European visitors to the United States numbered 1.3 million last year, up 17 percent from 1971, and they spent about \$450 million here, up 23 percent. About 30 percent of the Europeans were residents of the United Kingdom. The number of British visitors increased 19 percent to 389,000, their average expenditure in this country rose, and their total outlay increased more than 40 percent to \$96 million. The number of German

visitors increased 17 percent to 237,000 and their spending rose 18 percent to \$93 million. The number of French visitors increased 17 percent to 157,000 and their spending rose over 30 percent to \$63 million.

The number of visitors from the West Indies, Central and South America increased only about 3 percent in 1972, following a decline in 1971, and remained below the record set in 1970. Total receipts from the area rose less than 6 percent to \$343 million. This relatively slow expansion was probably related to the fact that Western Hemisphere currencies either maintained their parity with the dollar or were devalued against the dollar.

### International Passenger Fares and Other Transportation Transactions

The international transportation account of the U.S. balance of payments comprise payments and receipts for ocean and air movement of goods and travelers (passenger fares) between the United States and foreign countries; U.S. receipts also include foreigners' payments to U.S. carriers for transporting goods and travelers between foreign points. Also included are port expenditures of foreign car-

riers in the United States (receipts) and of U.S. carriers in foreign countries (payments); international receipts and payments for ship charters; transactions with Canada and Mexico for rail and pipeline operations; and Great Lakes international shipping activities.

U.S. residents paid \$5.0 billion in 1972 to foreigners for international transportation activities, 15 percent more than in 1971 (table 1, lines 3 and 4, and table 8). Transocean passenger fares, which increased 22 percent, accounted for \$1.6 billion of the total. U.S. receipts from transportation transactions were \$4.3 billion, up 11 percent from 1971 (table 1, lines 10 and 11, and table 8). Port expenses of foreign air, ocean, Great Lakes, and railroad operators in the United States which increased 10 percent, accounted for \$2.3 billion of the total. Passenger fare receipts (almost wholly for air travel) increased 13 percent to \$0.7 billion, while receipts from carrying ocean freight were up 8 percent to \$0.8 billion. Receipts from ocean freight and from foreign ocean carriers' port expense here were favorably affected by carryovers resulting from the late-1971 work stoppage at U.S. ports.

(Continued on page 56)

Table 7.—Foreign Visitors to the United States From Oversea Countries, by Area and Type of Visa

	[Thousands of travelers]				
	Total	Business	Pleasure	Transit	Student
<b>Overseas countries, total:</b>					
1972	2,861	370	2,194	222	75
1971	2,490	320	1,893	200	77
<b>Europe:</b>					
1972	1,306	203	986	104	13
1971	1,113	182	832	89	10
<b>West Indies and Central America:</b>					
1972	451	23	387	27	14
1971	428	20	366	27	15
<b>South America:</b>					
1972	312	24	253	24	11
1971	311	21	251	27	12
<b>Other overseas areas:</b>					
1972	792	120	568	67	37
1971	638	97	444	57	40

NOTE.—Excludes visitors from Canada and Mexico; excludes foreign government personnel and foreign businessmen employed in the United States. Data are not adjusted for multiple entries on a single trip.

Source: U.S. Department of Justice, Immigration and Naturalization Service.

Table 8.—International Passenger Fares and Transportation Transactions, 1968-72  
[Millions of dollars]

Type of transportation	1968	1969	1970	1971	1972
<b>Total payments</b>	<b>3,232</b>	<b>3,535</b>	<b>4,031</b>	<b>4,368</b>	<b>5,024</b>
Ocean passenger fare	190	215	245	236	264
Other ocean transportation	1,836	1,850	2,108	2,232	2,538
Import freight	1,269	1,281	1,420	1,610	1,860
Port expenditures	289	264	313	289	313
Charter hire	278	305	375	333	365
Air passenger fare	695	865	970	1,054	1,316
Other air transportation	442	516	611	738	793
Import freight	79	109	115	158	172
Port expenditures	363	407	496	580	621
Other	89	90	97	108	113
<b>Total receipts</b>	<b>2,959</b>	<b>3,102</b>	<b>3,657</b>	<b>3,894</b>	<b>4,321</b>
Ocean passenger fare	7	8	3	1	1
Other ocean transportation	1,902	1,925	2,243	2,269	2,450
Freight	690	644	813	750	811
Port expenditures	1,206	1,270	1,394	1,474	1,603
Other	6	11	36	45	36
Air passenger fare	405	443	541	614	693
Other air transportation	510	573	699	817	956
Freight	127	142	187	202	235
Port expenditures	383	431	512	618	723
Other	135	153	171	193	219
<b>Net payments</b>	<b>293</b>	<b>433</b>	<b>374</b>	<b>474</b>	<b>703</b>

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

(Continued from page 5)

billion estimated in January. The reduction, like that for fiscal 1974, is entirely due to a higher receipts estimate. Individual income taxes, mainly withholdings, are revised up about \$3½ billion, corporate taxes are up \$2½ billion, and all other receipts are up about \$1 billion. None of the revision of individual income taxes is in refunds, as refunds are running very close to the extremely high levels projected in January.

The outlays projection for fiscal 1973, like that for fiscal 1974, is unchanged from the January estimate (\$249.8 billion), but there are some changes in components. Veterans benefits and disaster loans are revised up, while unemployment benefits and outlays by the Department of Health,

Education, and Welfare are revised down.

#### Full-employment surplus

On a full-employment basis, the 1974 unified budget is now expected to show a surplus of \$5.3 billion, compared to \$0.3 billion estimated in January. This change is due entirely to an upward revision in full-employment receipts—expressed in 1974 prices—largely because estimated full-employment GNP was increased because of higher-than-anticipated inflation. The revision also incorporates higher effective tax rates based on recent experience. Full-employment outlays have not been revised, which means that in real terms there has been an effective downward revision in projected full-employment outlays. For fiscal 1973, the full-employment deficit is now estimated

at \$1.8 billion, down from the January estimate of \$2.3 billion.

#### NIA Federal sector

No official OMB estimates of the Federal sector of the national income accounts (NIA) were released. However, calculations by BEA, consistent with the new OMB estimates of unified budget outlays and with the new economic assumptions, show NIA deficits in fiscal 1973 and 1974 that are much smaller than the January estimates (table 1). On the NIA basis, 1973 receipts are \$6.4 billion higher than estimated in January, expenditures are \$1.4 billion lower, and the deficit is \$7.8 billion lower. For fiscal 1974, NIA receipts are \$10.3 billion higher than the January estimate, expenditures are \$0.8 billion higher, and the deficit is \$9.5 billion lower.

(Continued from page 16)

The net U.S. payment for all international transportation transactions was \$703 million in 1972, compared with \$474 million in 1971 (table 3), a rise of 50 percent. The net deficit on passenger fares increased 31 percent, from \$675 million to \$886 million; the net surplus on other transportation transactions dropped from \$201 million to \$183 million.

#### Payments

Of the \$1.6 billion in passenger fares paid to foreign sea and air carriers by Americans in 1972, about \$1.3 billion was for air travel and the remainder largely for cruise trips. Regular transoceanic passenger service continued to shrink, with further concentration of shipping services on the cruise trade.

Total freight payments to foreign sea and air operators moving U.S. imports increased 14 percent to \$2.0 billion in 1972. Higher rates and a small increase in the volume of higher valued cargo shipped on foreign carriers, as well as a decline in import cargo

movements by U.S. carriers, accounted for the rise.

American ocean carriers' port expenses abroad rose 8 percent to \$313 million. A drop in the volume of export and import tonnages carried by U.S. operators was more than offset by sharply rising costs in most areas. U.S. air carriers' port expenses abroad, primarily associated with transportation of passengers, rose 7 percent to \$621 million.

#### Receipts

U.S. receipts from ocean transportation last year were \$2.5 billion, 8 percent above 1971. The increase was largely due to increased freight rates and to the effects of the late-1971 dock strikes. The total includes \$0.8 billion from carrying U.S. exports and some freight between foreign countries, \$1.6 billion in foreign carriers' port expenses here, and about \$40 million from other sources. While the amount of American-operated ocean tonnage has changed little in recent years, average freight rates, especially on liner services, have

continued to rise. Higher handling charges continued to boost foreign carrier's port expenditures here.

U.S. receipts from air transportation and related services totaled \$1.7 billion in 1972, up 16 percent from 1971. Earnings from airline passenger fares, including \$0.2 billion from carrying foreigners between foreign destinations, were \$0.7 billion, up 11 percent. Foreign airlines' port expenses in the United States, mostly connected with passenger traffic, rose 18 percent to \$0.7 billion. This increase reflected both an increase in the number of air travelers and higher operating costs for services, advertising, and aircraft maintenance. Air freight on U.S. exports and on shipments between foreign points earned \$235 million for U.S. airlines in 1972, a 16-percent gain that continued the steady uptrend in this service.

Other transportation earnings, largely receipts from Canada and Mexico for rail and pipeline transportation and Great Lakes shipping, totaled \$219 million, an increase of 11 percent.